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2
3 UNITED STATES DISTRICT COURT
4
5 FOR THE WESTERN DISTRICT OF WASHINGTON
6
7 AT SEATTLE
8

9 Sanjay Chakravarty, Txley, Inc.,

10 Plaintiff(s),

PLAINTIFF'S SECOND AMENDED
COMPLAINT

Case No. 2:20-cv-01576-MJP

12 v.

13 Judge Marsha Pechman

14
15 Eric Peterson, City of Burlington, Skagit
County - State of Washington

16 Defendant(s).

[Jury Trial Demanded]

17
18 **PLAINTIFF'S SECOND AMENDED COMPLAINT**
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20 Plaintiffs Sanjay Chakravarty and Txley, Inc. ("Plaintiffs") by its attorneys files this
21 Complaint against Defendants Eric Peterson, the City of Burlington, and Skagit County as a
22 political subdivision of the State of Washington ("Defendants") and alleges as follows:
23

24 **NATURE OF THE ACTION**

25
26 1. This is an action under 42 U.S. Code § 1983 and 42 U.S. Code § 1981 concerning
27 alleged unlawful discrimination on the basis of race or national origin by a local
28

SECOND AMENDED COMPLAINT. - 1
Case No. 2:20-cv-01576-MJP

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1 government official. This case is about a pattern of observably arbitrary and
2 discriminatory decision making by a specific public official at different levels of local
3 government over a period of three years.

4
5 2. Plaintiffs are seeking liability and damages and note that the complaint will also
6 contain a formal prayer at its end (see below).
7

8 **THE PARTIES**

9
10 3. Plaintiff Sanjay Chakravarty (“Plaintiff Chakravarty”) is an individual residing in
11 Mount Vernon, Washington and a citizen of the state of Washington.
12

13 4. Plaintiff Txley, Inc. (“Txley” pron. “*Tex-lee*”) is a Washington state corporation
14 registered and doing business in Skagit County.
15

16 5. Defendant Eric Peterson (“Defendant Peterson”) is an individual that on information
17 and belief is residing within this court’s jurisdiction. Defendant Peterson is the
18 Facilities Coordinator for Skagit County Facilities Management.
19

20
21 6. Defendant City of Burlington is a municipal corporation situated in Washington State.
22

23 7. Defendant Skagit County is cited as a political subdivision of Washington State.
24

25 **JURISDICTION AND VENUE**

8. This Court has jurisdiction over the subject matter of this action under 42 U.S. Code § 1981 and 42 U.S. Code § 1983. This Court has further supplemental jurisdiction under 28 U.S. Code § 1367.

9. This Court has personal jurisdiction over Defendant Eric Peterson because he is domiciled in Washington State.

10. Venue in this district is proper under 28 U.S.C. § 1391(b)(1) because the defendant resides in this district and all other defendants reside in this district or a district within this state.

FACTS

Dramatis Personae

Sanjay Chakravarty	Plaintiff	
Nupur Kohli	Employee of Txley	
Randy Graham	Sales representative for Txley	
Txley, Inc.	Plaintiff	Corporation
City of Burlington	Defendant	Municipal Corporation
Paul Tingeley	Former Facilities Manager at City of Burlington	
Bill Henkel	Executive Director of Community Action in Skagit County	
Marv Pulst	City of Burlington's Public Works Director	
Mayor Steve Sexton	Mayor of the City of Burlington	
Simian Brown	City of Burlington Employee	
Bill Aslet, Joe DeGloria, Rick DeGloria, Scott Green, Keith Chaplin,	City of Burlington Council Members	

Chris Loving, James Stavig		
Skagit County	Defendant	Municipal Corporation
Kenneth Hansen	Skagit County Facilities Management Department	
Eric Peterson	Defendant – Skagit County Employee and Former City of Burlington Employee	
Peter Browning	Skagit County Commissioner and member of Chamber of Commerce	
Al Jongmsa	Skagit County Employee	
Bret Bryan	Skagit County Facilities Management Employee	
Walter E. Nelson	Parent corporation of Bay City Supply	Corporation
Bay City Supply	Director competitor of Plaintiff Txley	Corporation
Franz Johnson	Employee of Bay City Supply	
ACE Hardware of Anacortes	Bidder	Corporation

11. Plaintiff Sanjay Chakravarty was born in India, and moved to the United States in 1988.

12. For ten years Plaintiff Sanjay Chakravarty has owned and operated Plaintiff Txley, Inc., a facilities supply business operating in Western Washington. Txley filed its initial report on May 21, 2010 with an incorporation date of June 1, 2010 and was established as a facilities supply and distribution company. Their focus is on performance, reliability, and trustworthiness. They pride themselves in, “[being] an independently owned company that has continued to increase our market share every day for a reason. With our deep knowledge of the local market and our smart approach to finding the best

1 products and negotiating the best deals, we make sure our clients have the most positive
2 and profitable experience available. And because we live in the communities where we
3 do business – we are aware of the trends, which in turn provides an unprecedented
4 understanding of the latest market conditions. When it comes to market knowledge,
5 Txley remains the number one resource for your JanSan & Facility needs.”
6

7
8 13. The Plaintiff’s organization employs numerous people in the region from diverse
9 backgrounds, cultures, and experiences. The Plaintiff Txley is a member of the
10 Burlington Chamber of Commerce, Mount Vernon Chamber of Commerce; they are
11 also members of the Skagit County Builders Association, Building Services Contractors
12 Association.
13

14
15 14. As part of their growth strategy for Plaintiff Txley, Plaintiff Sanjay Chakravarty
16 pursued public sector contracts, including the City of Burlington’s. He was successful
17 with some municipalities, but not with others. He visited many municipalities in the
18 area. His approach was simply to ask what the procedure was and follow it. Some
19 municipalities have bidding processes and some order items ad hoc. Plaintiff found that
20 if he did not understand anything, he only had to ask.
21

22 City of Burlington

23
24 15. The Plaintiff Sanjay Chakravarty had begun approaching the City of Burlington
25 about their bidding process before the Defendant Eric Peterson was employed there,
26 speaking with Paul Tingeley. He had discussed the matter without making any headway
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28

1 into how to go about submitting a bid or request for proposal. Plaintiff Sanjay
2 Chakravarty continued to try and reach out to Paul Tingeley, who he learned had left,
3 and thus the job remained unfilled.
4

5 16. Paul Tingeley had made no promises or did anything for the Plaintiff Sanjay
6 Chakravarty, and their interactions were limited to enquiries about what was required to
7 submit bids.
8

9
10 17. In February of 2017, Tim Rush (an Employee of the City of Burlington) came to
11 Plaintiff Txley's office to purchase needed parts and told Plaintiff Sanjay Chakravarty
12 that the City of Burlington is looking for a new Facilities Supervisor. Tim Rush further
13 stated that he could not imagine why the city would not have an account with Plaintiff
14 Txley as they (Txley, Inc.) have everything that the City of Burlington needed. This
15 visit prompted the renew interest by Plaintiff Sanjay Chakravarty in going after the City
16 of Burlington's account on behalf of Txley, Inc.
17

18
19 18. On June 2, 2017, Plaintiff Sanjay Chakravarty went to City of Burlington office
20 where he was informed there was a new Facilities Supervisor. The Plaintiff was excited
21 that they could now start our relations with the City of Burlington, as that post was
22 vacant for a while. At that stage, the front desk personnel at the city asked by Plaintiff
23 Sanjay Chakravarty did not know the new Facilities Supervisor's name yet.
24

25
26 19. On June 8, 2017, members of the Burlington Fire Dept came into the Plaintiff
27 Txley's store and purchased several items. They seemed excited to have found a local
28

1 supplier for soaps, squeegees etc. Three of the personnel took 30 minutes to talk with
2 Plaintiff Chakravarty to start setting up an account. As per payment, the Fire
3 Department mentioned that they would set up an account with the City of Burlington
4 and that they (Plaintiff Txley) could start the invoice and billing process.
5

6
7 20. On or around June 19, 2017, Plaintiff Sanjay Chakravarty called the City of
8 Burlington's main phone line and asked to speak with their new Facilities Supervisor
9 and was put through to Defendant Eric Peterson. The Plaintiff Sanjay Chakravarty
10 congratulated and welcomed Defendant Eric Peterson for the new position. Defendant
11 Eric Peterson was cordial, and they had a good conversation. Plaintiff Sanjay
12 Chakravarty introduced himself as "Jay, owner of Tulip Valley Supply, the local
13 supplier of facility supplies based in Burlington." Plaintiff mentioned he would like to
14 meet soon with a face-to-face meeting.
15

16
17 21. On or around June 20, 2017, Plaintiff Sanjay Chakravarty and Randy Graham went
18 prospecting for new customers – they went to City of Burlington Senior Center, City of
19 Burlington Parks, City of Burlington Facilities on Sharon Ave, and then to the City Hall
20 located at Spruce Street. At City Hall Plaintiff asked the front desk personnel if
21 Defendant Eric Peterson was around, to which it was indicated that Eric Peterson was
22 outside back in the parking lot trimming trees. Plaintiff Sanjay Chakravarty and Randy
23 Graham then walked to the parking lot and introduced themselves.
24

25
26 22. Immediately Defendant Eric Peterson acted indifferent and disinterested. Plaintiff
27 Sanjay Chakravarty handed Defendant Eric Peterson his business card and Defendant
28

1 Eric Peterson looked at it and continued to perform his work with his back turned.

2 Plaintiff Sanjay Chakravarty got the impression that under the surrounding
3 circumstances, that the Defendant's conduct was intentionally discourteous.
4

5 23. According to Plaintiff Sanjay Chakravarty,
6

7 *"He would not make any more eye contact and kept moving and walking away when I*
8 *tried talking to him performing his tree trimming he was engaged in. The attitude was*
9 *'cold', like 'don't bother me'. What is strange is when you meet someone for the first*
10 *time, everyone takes a minute or two, even if you are extremely pressed for time to meet*
11 *and shake hands with a person. Peterson was 'far from even making eye contact' after*
12 *our introduction. I felt humiliated and during our ride back to the store, Randy and*
13 *myself were quiet in the car with loss for words, with not much to say on what just*
14 *happened, and why."*

15 24. When the invoice from the Fire Dept was due the Plaintiff Sanjay Chakravarty went
16 to the City Finance Dept and presented the invoice. The Finance Department Employee
17 looked at the invoice, saw the company name, and stated "We are not supposed to buy
18 from TVS".

19 **Defendant Eric Peterson slammed the door in Plaintiff Sanjay Chakravarty's face.**

20 25. The Plaintiff Sanjay Chakravarty asked the Finance Department Employee her told
21 her that she replied "Eric Peterson." Plaintiff Sanjay Chakravarty states, "I was taken
22 aback, as the Fire Department, Parks Department, and every Burlington employee I
23 interacted with was excited to buy local and deal with my company. She had me wait
24 while she processed payment."
25

1 26. Again, on or around June 28, 2017, Plaintiff Sanjay Chakravarty stopped into the
2 Spruce Street location and Defendant Eric Peterson was not there.

3
4 27. Then the next day, Plaintiff Sanjay Chakravarty drove to the Spruce Street location, as
5 he wanted to take the opportunity to properly introduce Plaintiff Txley, as their last
6 interaction was limited. Plaintiff Sanjay Chakravarty went to Defendant Eric Peterson's
7 office as he had been informed it was at 633 Sharon Ave. Plaintiff Sanjay Chakravarty
8 went to that location at approximately 3:45pm – and encountered City of Burlington
9 employee Simian Brown who was there. Plaintiff Sanjay Chakravarty asked for Defendant
10 Eric Peterson and Simian Brown mentioned Defendant Eric Peterson was on his way back.
11 Plaintiff Sanjay Chakravarty waited outside.
12
13

14
15 28. Defendant Eric Peterson then pulled up in a City of Burlington Truck, and Plaintiff
16 Sanjay Chakravarty greeted him as he exited the vehicle. Defendant Eric Peterson did not
17 return the greeting and walked right by Plaintiff Sanjay Chakravarty. Plaintiff Sanjay
18 Chakravarty called out "Eric, I wanted to follow up on our conversation...", and in
19 response the Defendant Eric Peterson then walked towards the door, opened the door, and
20 slammed it in Plaintiff Sanjay Chakravarty's face.
21

22
23 29. Plaintiff Sanjay Chakravarty felt humiliated as a result of Defendant Eric Peterson's
24 slamming the door in his face. Plaintiff Sanjay Chakravarty felt aggrieved by the
25 Defendant Eric Peterson's implicit bias at the time but did not know what to do.
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1 30. Plaintiff Sanjay Chakravarty followed up with the City of Burlington Parks
2 Department Personnel shortly thereafter. While previously when Plaintiff Sanjay
3 Chakravarty visited, the personnel had been extremely excited to have a local facility
4 supplies provider down the street. This time, the Parks Department personnel seemed to
5 have a different attitude and Plaintiff Sanjay Chakravarty was told that they were directed
6 to work under Facilities on acquiring supplies. This further gave Plaintiff Sanjay
7 Chakravarty the impression that they had been warned explicitly against doing business
8 with him or with Plaintiff Txley.
9
10

11 31. In September of 2019, Plaintiff Sanjay Chakravarty attended a Chamber of Commerce
12 meeting where several members, Peter Browning (President), Mayor Steve Sexton and
13 Burlington Councilman Joe DiGoria were present. The meeting was on improving
14 “Burlington Downtown”. After the meeting, Plaintiff stayed back and was encouraged by
15 Peter Browning to complain against Peterson to Mayor Sexton and Joe DiGloria, which he
16 did.
17
18

19 32. Shortly after the Burlington Chamber meeting, the Plaintiff Sanjay Chakravarty felt he
20 needed to address the matter personally with Defendant Eric Peterson and be firm. Plaintiff
21 Sanjay Chakravarty called Defendant Eric Peterson’s cell phone. Plaintiff Chakravarty
22 mentioned to Defendant Eric Peterson that it was “high time we need to look at bidding as
23 it is unfair to keep favoring one supplier.” The Defendant Eric Peterson hung up on
24 Plaintiff Sanjay Chakravarty.
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1 33. On October 24, 2019, Plaintiff Sanjay Chakravarty made a presentation before the City
2 of Burlington City Council regarding his difficulties in simply trying to bid on the
3 contracts, and detailing his complaints in writing.
4

5 34. On October 25, 2019, the Mayor of the City of Burlington – Steve Sexton – called
6 Plaintiff Sanjay Chakravarty in order to address the issue of why he had used the word
7 “discrimination”.
8

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10 35. Plaintiff Sanjay Chakravarty and Nupur Kohli attended the meeting at City Hall and
11 were asked about the discrimination issue directly. Plaintiff Sanjay Chakravarty told
12 Mayor Steve Sexton of the City of Burlington that it is not easy to talk about racial
13 discrimination, but that this is certainly a factor present with Defendant Eric Peterson given
14 how he had been treated over the phone and thereafter. Plaintiff Sanjay Chakravarty and
15 Nupur Kohli also both discussed the issues of favoring vendors and the Mayor Steve
16 Sexton of the City of Burlington directly said they will now look into going to bid. Mayor
17 Steve Sexton assured Plaintiff Sanjay Chakravarty and Nupur Kohli that they would be
18 informed about the decision, and if they go to bid that Plaintiff Txley would be notified.
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21 36. On or about December 1, 2019, Defendant Eric Peterson published the bid in the
22 Skagit Valley Herald, a small local newspaper. Only Bay City Supply answered the bid
23 and won.
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1 37. Defendant Eric Peterson leaves the employ of the City of Burlington on December
2 31, 2019 under the impression that he left strictly due to budget cuts and with letters of
3 recommendation from his former supervisor and the Mayor Steve Sexton.
4

5 38. On January 2, 2020, Plaintiff Sanjay Chakravarty and Nupur Kohli went to the City
6 Hall to inquire what was the bid updates as they had heard nothing. They were informed
7 there was a new Facility Supervisor Travis. Travis mentioned to Plaintiff Sanjay
8 Chakravarty that the bid was placed in December, and Bay City Supply was the participant
9 who won the bid.
10

11
12 39. Plaintiff Sanjay Chakravarty became furious and stormed into the Mayor's office
13 demanding to meet Mayor Steve Sexton immediately. At this meeting Mayor Steve Sexton
14 placed the blame on Defendant Eric Peterson and said Defendant Eric Peterson put out the
15 bid in December and Defendant Eric Peterson is now "terminated" with the City of
16 Burlington.
17

18
19 40. On January 9, 2020, there is another Council Meeting of the City of Burlington. At
20 that meeting the Public Works Director Marv Pulst – Peterson's former supervisor –
21 made a presentation to the City Council discussing the services of Plaintiff Sanjay
22 Chakravarty's direct competitor Bay City Supply. A motion was made to award the bid
23 and authorize procurement of custodial equipment, supplies, and services from Bay City
24 Supply.
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1 41. Plaintiff Sanjay Chakravarty asked the Mayor Steve Sexton to act and rescind the bid
2 as it was wrongful in the manner it was conducted since the Mayor Steve Sexton had
3 promised in their meeting of October 25, 2019. Txley was never notified. The Mayor
4 refused and denied he ever said that "Txley would be notified".
5

6 42. In January 2020 Plaintiff Sanjay Chakravarty called Joe DiGloria with the City of
7 Burlington City Council to express his concerns. Joe DiGloria expressed reticence to
8 discuss the issue due to his position.
9

10 11 Skagit County

12
13 43. In April 2019 Defendant Skagit County went to bid. Plaintiff Txley was awarded
14 this contract. The Defendant Skagit County had no problems with product substitutions,
15 incorporation timing, or other limiting factors.
16

17 44. Defendant Eric Peterson left the employ of Defendant City of Burlington and
18 entered the employ of Skagit County.
19

20 45. Defendant Eric Peterson sends out a new bid emailed to Plaintiff Txley on April 23,
21 2020.
22

23 46. Immediately thereafter, Plaintiff objects and calls Kenneth Hansen. Before
24 submitting their bids for a second time, Plaintiff Sanjay Chakravarty had a 35-minute
25 telephone call with Kenneth Hansen registering his objections and strong concerns on
26 submitting the bid information and specific products requested.
27
28

1 **47. Artful Changing of Bid Pre-Requisites To 10 Years** These changes favored Bay
 2 City Supply to the detriment of Plaintiff Txley. Txley was a nine-year and eleven-
 3 month-old business at the time. This information is available in the public record.
 4

5 **48. Product Exceptions** In 2019 Plaintiff Sanjay Chakravarty had suggested alternates
 6 that some branded alternatives contain higher volumes of chlorine toxicity than products
 7 carried by the Defendant Skagit County. Plaintiff makes a practice of suggesting
 8 alternative cost-effective solutions of similar or higher efficacy. On the bid, though
 9 under contract during 2019, purchasing decisions have demonstrated a bias and
 10 preference towards Bay City Supply lists, as above. Bay City Supply has a proprietary
 11 supply list. It is proprietary to them for the purpose of obtaining preference, and not
 12 because of any specific cleaning or sanitary requirement. For instance, with *toilet paper*
 13 - Bay City Supply deals in “GP”, “Solaris”, and “LoCore” branded goods, while
 14 Plaintiff deals in “CT Commercial”. Many of the supplies requested are fungible, and
 15 many are not. There is no reasonable relation to the justification for this requirement
 16 except to exclude the Plaintiff.
 17
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 19

20 **49. ACE HARDWARE** Defendant Eric Peterson invited Ace Hardware of Anacortes,
 21 who on information and belief do not generally participate in bids, to participate in this
 22 bid. The hopeless bid participation was nothing more than an artifice aimed at
 23 camouflaging the unfairness of the process towards Plaintiff. The “low-ball” bid was
 24 not a serious effort at winning the bid, but it was instead a serious effort at portraying
 25 the bid as competitive.
 26
 27
 28

50. Defendant Eric Peterson cancels the bid. There was a new Bid No. 2 sent out on April 30, 2020.

51. Plaintiff Txley delivered their bid via courier at the last possible moment in order to avoid what Plaintiff Sanjay Chakravarty suspected was ongoing collusion between Defendant Eric Peterson and Bay City Supply.

52. Bid No. 2 was also rescinded and the contract between Defendant Skagit County and Txley, Inc. was extended. Defendant Eric Peterson went ahead and began ordering on behalf of Defendant Skagit County from Bay City Supply anyway.

	Inv#	Inv Date	Description	Ck#	Total
BAY CITY SUPPLY INC	277434A	2020- 05-21	FCLY/0000307/HAND SANI	518481	\$ 33,49
BAY CITY SUPPLY INC	277434B	2020- 06-02	FCLY/0000307/CUSTODIAL SUPPLIE	518721	\$ 112,50
BAY CITY SUPPLY INC	277434C	2020- 06-04	FCLY/0000307/CUSTODIAL SUPPLIE	518721	\$ 504,95
BAY CITY SUPPLY INC	277939	2020- 05-21	FCLY/0000307/HAND SANI	518481	\$ 33,49
BAY CITY SUPPLY INC	279926	2020- 06-15	FCLY/0000307/HAND-SANI FOAM	518962	\$ 225,01
BAY CITY SUPPLY INC	279926A	2020- 06-25	FCLY/0000307/SO# 279926	519430	\$ 1 192,90
BAY CITY SUPPLY INC	279926B	2020- 07-07	FCLY/0000307/ELECTROSTATI C SPR	519900	\$ 2 337,05
BAY CITY SUPPLY INC	279926C	2020- 07-21	FCLY/0000307/ELECTROSTATI C SPR	520182	\$ 2 256,03
BAY CITY SUPPLY INC	279926D	2020- 07-30	FCLY/0000307/HAND SANI & SPRAY	520701	\$ 105,06
BAY CITY SUPPLY INC	279926E	2020- 09-24	FCLY/0000307	522592	\$ 740,90
BAY CITY SUPPLY INC	282460	2020- 05-19	FCLY/0000307/SO#282460	519647	\$ 167,59
BAY CITY SUPPLY INC	283161	2020- 06-02	FCLY/0000307/CUSTODIAL SUPPLIE	518721	\$ 81,53
BAY CITY SUPPLY INC	283746	2020- 06-11	FCLY/0000307/CUSTODIAL SUPPLIE	518962	\$ 446,62
BAY CITY SUPPLY INC	283746A	2020- 06-25	FCLY/0000307/SO# 283746	519430	\$ 16,20
BAY CITY SUPPLY INC	283746B	2020- 08-12	FCLY/0000307	521244	\$ 57,72
BAY CITY SUPPLY INC	283746C	2020- 08-27	FCLY/0000307/SUPPLIES	521734	\$ 97,50

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BAY CITY SUPPLY INC	284890	2020- 07-02	FCLY/0000307/SO#284890	519647	\$ 245,88
BAY CITY SUPPLY INC	286766	2020- 08-06	FCLY/0000307	521244	\$ 310,23
BAY CITY SUPPLY INC	288690	2020- 09-24	FCLY/0000307	522592	\$ 541,33
BAY CITY SUPPLY INC	290507	2020- 10-16	FCLY/0000307	523456	\$ 156,53
BAY CITY SUPPLY INC	290627	2020- 10-16	FCLY/0000307	523456	\$ 148,48
					<u>\$ 9,810.99</u>

53. On information and belief, through diversions of orders in different marginal categories orders with its competitor Bay City Supply instead of placing orders in good faith with the parties to the agreement, Eric Peterson, Bret Bryan, and Franz Johnson of Bay City Supply acted together in either inadvertent cooperation, or conspiracy, or both.

54. The cumulative and collective impact of this pattern of being treated differently in public contracting because of his perceived national origin or background by the Defendant Eric Peterson in his tenure of employment at Defendants City of Burlington, and now Skagit County, has caused, and continues to cause, damage to each of the Plaintiffs.

55. On December 21, 2020, Plaintiff Sanjay Chakravarty made a statement under penalty of perjury addressed to the Federal Bureau of Investigation requesting an investigation into the unlawful competitive practices by Walter E. Nelson and Bay City Supply during the previous fifteen years, and naming four witnesses with personal knowledge of the events.

/

FIRST CLAIM FOR RELIEF

42 USCS §1981 against Defendant Eric Peterson by Plaintiff Sanjay Chakravarty

56. Plaintiff reincorporates and realleges paragraphs 11-54 above here.

57. 42 U.S.C. § 1981(a) provides that “[a]ll persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other.” “ ‘Make and enforce contracts’ includes the making, performance, modification, and termination of contracts, and the enjoyment of all benefits, privileges, terms, and conditions of the contractual relationship.” 42 U.S.C. § 1981(b).

58. Plaintiff Sanjay Chakravarty is a “person within the jurisdiction of the United States.”

59. Defendant Eric Peterson subjected Plaintiff Sanjay Chakravarty to different treatment when Defendant Eric Peterson learned of Plaintiff Sanjay Chakravarty’s race upon meeting him.

60. Similarly, Defendant Eric Peterson treats Franz Johnson of Bay City Supply differently. On information and belief, Franz Johnson of Bay City Supply is white.

61. Defendant Eric Peterson then discriminated against Plaintiff Sanjay Chakravarty further by creating bidding requirements aimed specifically at ensuring that the Plaintiff Txley was excluded from the bidding process.

62. As a direct, legal and proximate result of the discrimination by Defendant Eric Peterson, Plaintiff Sanjay Chakravarty has lost economic opportunities and suffered emotional pain and suffering, inconvenience, and mental anguish resulting in damages in an amount to be proven at trial.

SECOND CLAIM FOR RELIEF

Tortious Interference with Business Expectancy Against Defendant Eric Peterson by Plaintiff Txley, Inc.

63. At the time that Defendant Eric Peterson attempted to change the bidding requirements Plaintiff Txley had a business relationship or expectancy with Skagit County that would have in all probability resulted in future economic benefit for Plaintiff Txley; Plaintiff Txley had a contract for the supply of disinfectants and cleaning chemicals when Covid-19 happened, which resulted in increased use of and demand for cleaning and disinfectants provided under contract with Plaintiff Txley to Skagit County, and expected to be able to fulfill these orders growing their business.

64. Defendant Eric Peterson knew of the existence of the Plaintiff Txley's contract with Skagit County;

65. Defendant Eric Peterson intentionally induced or caused the termination of the business relationship or expectancy; Defendant Skagit County “split” the contract giving the orders to the same supplier Defendant Eric Peterson had given preference to in the past at the City of Burlington.

66. Defendant Eric Peterson's interference was for the improper purpose of racial discrimination or some other improper purpose, or by the improper means of adjusting bidding requirements, and that the pattern of discriminatory conduct was a proximate cause of economic damages and lost profits to Plaintiff Txley.

THIRD CLAIM FOR RELIEF

42 USCS §1983 against Defendant City of Burlington by Plaintiff Sanjay Chakravarty

67. Plaintiff alleges that Defendant Eric Peterson violated Plaintiff Sanjay Chakravarty's federal rights, and that the City of Burlington should be liable for the acts and omissions of Mayor Steve Sexton and the City Council of the City of Burlington.

68. The City Council of the City of Burlington had a choice about whether to characterize the presentation given by Plaintiff Sanjay Chakravarty as a commercial pitch in the minutes of the meeting, or whether to ignore the specific verbal mention of discrimination in Plaintiff Sanjay Chakravarty's presentation and the written mention of Defendant Eric Peterson in the written complaint he submitted contemporaneously.

1 69. Mayor Steve Sexton is the final policy maker and was acting in his official
2 policymaking authoritative capacity when he willfully disregarded Plaintiff Sanjay
3 Chakravarty's allegations of racial discrimination.
4

5 70. Plaintiff Sanjay Chakravarty was unable to participate in the bid, and it was awarded
6 without competitive bidding to Bay City Supply. This occurred as a direct result of
7 Mayor Steve Sexton's policy decision not to inform Plaintiff Sanjay Chakravarty despite
8 earlier assurances to Plaintiff Sanjay Chakravarty by Mayor Steve Sexton that he would.
9
10

11 71. Mayor Steve Sexton and the City Council knew of Plaintiff Sanjay Chakravarty's
12 allegations of discrimination because the Plaintiff told them and made a presentation on
13 that basis to the City Council which included a written statement specifically mentioning
14 the Defendant Eric Peterson, though with his name misspelled. The Plaintiff Sanjay
15 Chakravarty also discussed the matter many times with Mayor Steve Sexton.
16
17

18 72. The Mayor and the City Council acquiesced to the Defendant Eric Peterson's
19 discriminatory and exclusionary conduct by simply ignoring it and/or refusing to
20 investigate and/or refusing to rescind the bid.
21

22 73. Somewhat awkwardly, both Plaintiff Sanjay Chakravarty and Defendant Eric
23 Peterson have been damaged by the failure to investigate the allegations made of race-
24 based discrimination. The allegations, whether true or not, deserved to have been
25 investigated. If they were not true, then Defendant Eric Peterson deserved to have his
26 name cleared. If they were true, Plaintiff Sanjay Chakravarty deserved to have his rights
27
28

1 to participate in the bidding process free from discrimination vindicated. Disregarding
2 constitutional rights creates a lacuna.

3
4 74. As a direct legal and proximate result of Mayor Steve Sexton and the City of
5 Burlington's City Council's deliberate indifference to allegations of racial
6 discrimination, both parties have been damaged by the City of Burlington.
7

8
9 **FOURTH CLAIM FOR RELIEF**

10 **Breach of contract by Defendant Skagit County Against Plaintiff Txley**
11

12 75. On April 10, 2019, Plaintiff Txley and Defendant Skagit County entered into a
13 Vendor Services Agreement by which Plaintiff provided services/products up to a
14 maximum sum of \$40,000.00. This amount was later increased by \$8,000.00 on March
15 20, 2020.
16

17
18 76. Plaintiff Txley has duly performed all of its obligations and duties under the
19 contract. By "splitting the contract" and not ordering certain marginal product
20 categories, and instead ordering them from their competitor Bay City Supply anyway,
21 Defendant Skagit County has breached the contract by bypassing the ordinary bidding
22 process to "split the contract" and refusing to renew or order products it carries and
23 stocks under its agreement.
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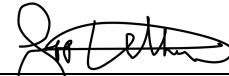
1 77. As a result of Defendant's breach of contract, Plaintiff Txley has been damaged in
2 an amount of \$3,924.39 in lost profits, which is calculated as the marginal value of sales
3 of products valued at \$9,810.99 to Bay City Supply.
4

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Plaintiff respectfully requests that this Court enter a judgment against
7 Defendants, granting Plaintiff the following relief:
8

- 9
- 10 1. The entry of judgment in favor of the Plaintiff Sanjay Chakravarty on the 42 USC
11 §1981 against Defendant Eric Peterson with punitive statutory damages as permitted by
12 statute and attorneys costs and fees;
13
 - 14 2. The entry of judgment in favor of the Plaintiff Txley against Defendant Eric Peterson
15 on the tortious interference with business expectancy claim;
16
 - 17 3. The entry of judgment in favor of Plaintiff Sanjay Chakravarty in his 42 USCS §1983
18 claim against Defendant City of Burlington with attorneys' costs and fees as permitted
19 by statute;
20
 - 21 4. The entry of judgment in favor of the Plaintiff Txley against Defendant Skagit County
22 in its breach of contract claim and the award of the requested damages in the amount of
23 no less than **\$9,810.99**; and
24
 - 25 5. Such other relief as the Court deems just and proper.
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1
2 Dated: 2nd day of April 2021
3 Respectfully submitted,

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5 _____
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SECOND AMENDED COMPLAINT. - 23
Case No. 2:20-cv-01576-MJP

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